

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

PRINTING RESEARCH, INC.
and HOWARD W. DEMOORE,

Plaintiffs,

v.

WILLIAMSON PRINTING
CORPORATION, BILL L. DAVIS and
JESSE S. WILLIAMSON,

Defendants.

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CIVIL ACTION NO. 3-99CV1154-M

DEFENDANTS' INITIAL DESIGNATION OF EXPERTS

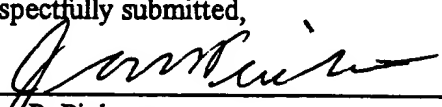
Pursuant to paragraph 5 of the Amended Scheduling Order and Rule 26(a)(2), Fed. R. Civ.

P., Defendants designate the following expert witness who will testify at trial:

Bernarr R. Pravel, Esq.
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
711 Louisiana Street, South Tower, Suite 1900
Houston, Texas 77002

Attached hereto is a copy of Mr. Pravel's report dated October 5, 2000.

Respectfully submitted,


John P. Pinkerton
Texas State Bar No. 1601670
David P. Poole
Texas State Bar No. 16123750
Robert J. Ward
Texas State Bar No. 00791879

WORSHAM FORSYTHE WOOLDRIDGE LLP
1601 Bryan, 30th Floor
Dallas, Texas 75201
(214) 979-3000 (telephone)
(214) 880-0011 (fax)

ATTORNEYS FOR DEFENDANTS

FILED OCT 10 2000

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**PRINTING RESEARCH, INC. and
HOWARD W. DEMOORE**

Plaintiffs,

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JESSE S. WILLIAMSON,

Defendant.

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Civil Action No. 3-99CV1154 - D

**EXPERT WITNESS REPORT OF BERNARR ROE PRAVEL
UNDER FEDERAL RULE 26(a)(2)(B)**

1. I make this report based upon my knowledge as to the factual matters set forth below and upon my own opinions as to matters set forth as such. If called as a witness in this case, I would testify as follows:

2. From 1970 to Dec. 31, 1998, I was the senior partner of the law firm Pravel, Hewitt, Kimball & Krieger, of Houston, Texas, specializing in the fields of intellectual property law and related antitrust fields. I was a partner and shareholder of that firm and predecessor firms since 1956. Since Jan. 1, 1999, I became senior counsel to Akin, Gump, Strauss, Hauer & Feld in Houston, Texas. I am admitted to practice before the United States Supreme Court, before the federal and state courts in Texas, before the United States Patent and Trademark Office, before the Court of Appeals for the Federal Circuit and in various other United States district courts and regional courts of appeal. I have substantial experience in the areas of patent prosecution and intellectual property licensing.

3. I am a Past-President of the American Intellectual Property Law Association (1983-1984). I was Chairman (1991-92) and Council Member (1977-1981) of the American Bar Association, Intellectual Property Law Section; Chairman (1970-71) of the National Council of Patent Law Association; Chairman (1968-69) of the Patent, Trademark & Copyright Section of the State Bar of Texas; Director (1976-79) of the State Bar Board of Texas; President of the Houston Intellectual Property Law Association (1983-84), and Vice-President (1973-74) of the Houston Bar Association.

4. My formal education includes the degree of Bachelor of Science in Chemical Engineering from Rice University (1947) and Juris Doctor with Honors from George Washington University (1951). I am a member of the following honorary societies: Tau Beta Pi (Engineering), Phi Lamda Upsilon (Chemistry) and Order of the Coif (Law).

5. I received the Chairman's 1989 Award of the State Bar of Texas Patent, Trademark & Copyright Section; the Houston Intellectual Property Law Association 1986 Award for Outstanding Service to the Profession; and the State Bar of Texas 1979 Award for Outstanding Contribution to the State Bar of Texas.

6. I am the author of articles in various law reviews and in the Journal of Patent and Trademark Office Society, publications of the Practicing Law Institute, and the American Patent Law Association Journal. I have presented lectures in the field of intellectual property law to various professional groups and conferences, such as the State Bar of Texas, the American Bar Association Intellectual Property Law Section, the Bureau of National Affairs, the University of Baltimore, the Houston Intellectual Property Law Association, the New Orleans Bar Association Intellectual Property Law Section, the Iowa Property Law Association and the National Council

of Intellectual Property Law Associations (National Inventor's Hall of Fame). A list of all publications authored by me within the preceding ten (10) years is attached as Exhibit A.

7. I have previously served as an expert witness on patent issues in over thirty litigation matters. A list of the cases in which I have testified as an expert at trial or by deposition within the preceding four (4) years is attached as Exhibit B.

8. I have had no previous professional or business connections with either of the parties in the present case, nor do I have any such connections at the present time. My professional fees for performing expert consulting are \$350.00 per hour.

9. In 1948-51 I was an Examiner in the United States Patent Office, during which time I examined applications for patents primarily in the chemical and mechanical fields. As a result of this experience and my practice as an attorney before the Patent Office since that time, I am familiar with the practices and procedures for filing and prosecuting applications for United States patents. I am an expert in patent law and procedure before the United States Patent & Trademark Office.

10. I have been asked to review the facts and the law concerning the issues whether Plaintiffs derived the '363 process from Defendants and whether or not Plaintiffs are equitably estopped to proceed with their claim of inventorship, coinventorship of the '363 process. I conclude that Plaintiffs DeMoore, Rendleman and Printing Research, Inc. derived the process of U.S. Pat. 5,630,363 ("the '363 process") from '363 applicants Davis and Williamson. Plaintiffs DeMoore and Rendelman are furthermore equitably estopped from asserting a co-inventorship claim or inventorship claim to the '363 patent, and are not entitled to joint-inventorship status.

11. In reaching the conclusions set forth below and in preparing to present the opinions set forth below, I have reviewed:

- FOIA b 7 - D
- A. U.S. Pat. 5,630,363 to Davis et al.;
 - B. The **COMPLAINT** filed in this action on May 20, 1999;
 - C. The **FIRST AMENDED ORIGINAL COMPLAINT** filed in this action on September 11, 2000;
 - D. A joint declaration submitted under 37 CFR § 1.57(b) filed, in a reissue application by the '363 applicants Davis and Williamson, executed May 20, 1999;
 - E. A joint declaration (i) under 37 CFR § 1.131 and (2) Pertaining to Derivation by DeMoore and Printing Research, Inc. of Reissue Applicants' process (hereinafter, "Joint Decl. Under § 1.131"), filed in the same reissue prosecution by reissue applicants Davis and Williamson and executed June 30, 2000;
 - F. A patent application and the subsequent file history of United States Serial No. 08/435,798 filed May 4, 1995 by Printing Research, Inc. employees (and Plaintiffs herein) DeMoore and Rendleman, and additionally John W. Bird, encompass at least the time period from May 4, 1995 through November 23, 1998;
 - G. The declaration of Steve Baker for the aforesaid reissue application, executed November 3, 1999 (WOO1248-WOO1252);
 - H. The deposition of Steve Baker taken in this litigation on August 9, 2000, of 153 pages, and exhibits, and including a corrigendum executed by Baker on September 21, 2000 for said deposition;
 - I. The declaration of Scott Brown (WOO1253-WO1257) for the aforesaid reissue application, executed December 30, 1999;

J. The deposition of Scott Brown taken August taken August 10, 2000 taken in this litigation, of 122 pages, and exhibits, and including a corrigendum executed by Brown on September 22, 2000 for said deposition;

K. The declaration of Steve Garner for the reissue application executed April 6, 2000 (WOO1299-WOO1303);

L. The deposition of Steve Garner for the litigation taken August 11, 2000, of 135 pages, and exhibits together, and including a corrigendum signed by Garner on September 21, 2000;

M. A declaration of John W. Bird for said reissue application executed December 11, 1999 (WOO931-WOO943);

N. A supplemental declaration of John W. Bird for said reissue application executed April 3, 2000 (WOO880-WOO929);

O. The first part of a deposition of John W. Bird taken September 12, 2000 in this litigation, of 299 pages, and exhibits;

P. Receipts of a trip to Atlanta by Jesse Williamson and Bill Davis (WOO-2705-002706);

Q. A supplemental declaration of Steve Baker executed October 5, 2000; and

R. A second supplemental declaration of John W. Bird executed October 5, 2000.

I. ISSUE OF DERIVATION

12. The pertinent facts as to derivation are as follows: The '363 applicants, Bill Davis and Jesse Williamson of Williamson Printing Corporation ("WPC") conceived of the invention in June, 1992 upon Williamson's return from Germany to the United States. The

conception was inspired – at least in part – by Jesse Williamson's observation of printing with an anilox roller at the coating tower (end-of-press) at the plant of German press manufacturer M.A.N. – Roland in Offenbach, Germany in late May, 1992. Joint Decl. Under § 1.131, ¶4.

13. Subsequently, in late '92 or early '93, WPC undertook an extended study to find out what presses WPC would purchase to replace its existing outdated presses. Until this study was completed and new press equipment was installed, it was not practical to reduce to practice the '363 process. Joint Decl. Under § 1.131, ¶4. A tentative decision was made in the late spring of 1994 by WPC to proceed with the purchase of a number of Heidelberg presses.

14. Steve Baker of Printing Research met with '363 patentees Bill Davis and Jesse Williamson in mid-1994 and received a disclosure from Williamson of their concept of moving a flexographic station "up front" in a lithographic press, together with several potential ways of performing same – preferably by a conventional "rack-back" mechanism modified for interstation use, and using an anilox roller and chambered doctor. Baker Decl., § 4, 7; Joint Decl. Under § 1.131, ¶6. It now appears from a recently produced receipt from Williamson -- WOO2705 -- that the meeting occurred on June 12, 1994.

15. At approximately the same time that Williamson and Davis told Steve Baker of PRI of their concept of going "up front", they told salesman Scott Brown of Heidelberg USA of their concept. This followed Williamson's continued oral commitment to Heidelberg to purchase a substantial amount of press equipment in June 1994. Brown Decl. ¶2 Williamson – Davis told Brown, as they had told Baker, of several different ways that going "up front" with a flexographic press could be accomplished. They wanted tests to perform or at least simulate their process to occur at Heidelberg in Germany. Brown Decl., ¶2.

16. When Baker came back to Dallas from the Atlanta area in mid-1994, he told PRI executives John Bird and Steve Garner of the process. Bird Decl., ¶9. As stated by Baker in his deposition:

A. I didn't see Howard DeMoore. *The first person I saw was John Bird when I got back.*

Q. Is it your testimony you told the first person you saw?

A. *No, I told the first person that had authority to hear it that I saw.*

Q. That what?

A. I told the first person that I had authority -- that had authority over me to hear it.

Q. Were you given a list of people that had a right to this information?

A. Of course not.

Q. Did you -- we may have misunderstood each other. *Did you ever tell Howard DeMoore this confidence?*

A. Yes.

Q. When?

A. I don't remember the exact day, but I remember talking to Howard on several occasions about what was going on at Williamson Printing. After all, Williamson was our customer. Howard ran the company. He needed to know.

Q. Did you tell him about the meeting and the discussion at the meeting?

A. I don't recall exactly doing that, but I know I did. I know we talked about everything that went on in Atlanta at one point or another with Howard, and I don't recall when I did that with Hoard. I don't recall seeing Howard upon returning to Dallas from Atlanta. I don't recall him being in the office at that moment. (Emphasis italics)

Baker Dep., p. 64, ln 5-p. 65, ln. 9. Specifically, Baker communicated to Bird and perhaps Garner the intent of Davis and Williamson to improve the WPC's prior art WIMS process (U.S. Pat. 5,370,976) by "going up front", together with the three options Brown Decl., ¶ 9. Baker, by recent declaration, testified that Bird and DeMoore were told of the '363 process invention on or about June 15-16, 1994 (Bird corroborates this testimony in his Second Supplemental Declaration, but pins the date down specifically to June 15, 1994):

"I have been shown travel receipts of Jesse Williamson, having production numbers W002705-2706, Exhibit "A" hereto. I note on document W002705 a reference to "Morton's Buckhead" restaurant for June 12, 1994. A calendar for June 1994, Exhibit "B" hereto, shows June 12th to be Sunday. I therefore met with Jesse Williamson and Bill Davis in Atlanta, Georgia on Sunday, June 12, 1994. As indicated in paragraph 4 of my prior declaration, the meeting was indeed on a Sunday. The rest of the Atlanta events I testified to in paragraphs 4-7 and the first sentence of paragraph 8 are accurate.

"The calendar and the receipt further refresh my recollection. I came back to Dallas several days later - either Tuesday the 14th or Wednesday the 15th, as I recall. The morning following my return, I met with John Bird in Bird's office. Jesse and Bill's desires presented quite an opportunity for PRI. I have a vivid recollection of this meeting, and I told Bird what Jesse and Bill had told me in the Morton's restaurant, as stated in paragraphs 5-7 and the first sentence of paragraph 8 of my prior declaration.

"I also recall telling Howard DeMoore, immediately after telling Bird, that Jesse and Bill desired to go "up front" with a modified "rack-back" having an anilox roller and chambered doctor. The trip to Atlanta was a high profile event inside PRI, and telling Bird and DeMoore of what went on there occurred immediately upon my return. DeMoore

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needed to know -- he ran the company. I believe I also told Steve Garner."

Note, also the deposition testimony of Bird:

Q. Okay. When did you first learn about the flexographic/lithographic in-line process as in the patent, Exhibit. 6?

A. The process?

Q. Yes, the process.

A. The process was first described to me after a visit of -- that occurred somewhere in July of ninety -- I'd have to look at my notes -- it's July '94, wherein Steve Baker, who was at the time one of our sales people, had gone to Atlanta to demonstrate both UV, and had gone to demonstrate a high-velocity hot air drying system and a Plate/Blanket Coater to both Jesse Williamson and Bill Davis.

When -- on Steve's return from Atlanta, Steve was somewhat excited to tell us that Williamson Printing had a patent pending, although that wasn't always clear to me whether it was pending or it was issued.

But certainly he talked of a process wherein WIMS, Williamson Integrated Metallic Systems, had been -- certainly had a patent applied for as a process patent, and that Williamson Printing was looking at an improvement on that method of application with metallics, and that they and felt that the -- and this was over a dinner meeting in the evening as sometimes happens in -- in situations like this -- and that they were looking for someone to work with them to produce a -- a coater that would apply flexo, in particular, since they felt that a flexo would be a better way of applying and would give them a more brilliant finish.

And they had previously seen some trials wherein flexo had been applied with metallics that they felt that this, if we were interested -- if they could find someone interested enough and since we made coaters, that we might be someone that could work with and/or sell them a piece of equipment to achieve the goal of applying metallics in-line as part of their process and their process patent as part of this improvement that they were looking for.

Bird Dep., p. 57, ln. 24 p. 59, ln. 12.

17. After Baker's return, Bird started frequent meetings with the '363 patentees - first meeting August 18, 1994 - whereby Bird was told the intimate details of the Davis - Williamson process. Bird Supp. Decl., ¶¶ 3-4.

18. There were many meetings in the late summer and early fall of 1994. See Garner Dep., p. 69, p. 108, on. 9; Bird Dep., p. 225, lns 2-11. In a number of these meetings, both Davis and Williamson attended. Bird Supp. Decl., ¶2.

19. PRI started in earnest the fabrication of an experimental "ferris wheel" (or cantilevered), interstation "rack-back" device to practice the '363 process in the late fall of 1994, specifically December, 1994. Bird Dep., p. 72, ln 16 - p. 75, ln. 14.

20. At the time that Baker told Garner and Bird of the Davis and Williamson "up front" concept, Garner was Vice President of Sales, and Bird was a Product Manager within the company.

21. The undersigned has been made aware that the earliest contention that DeMoore has of having the concept of going "up front" in a lithographic press with a flexographic step occurred on July 7, 1994, at a conference with his patent counsel.

22. This is several weeks later than the June 12, 1994 meeting with Baker. DeMoore has contended in both his original COMPLAINT (May 20, 1999) and his recently-filed AMENDED COMPLAINT that his and Rendleman's conception was "in 1994" (¶ 113), but mentions only that writings evidencing his conception started in December, 1994 (¶ 14):

"Beginning in 1994, DeMoore and Rendleman conceived of and began development of the Lithoflex® system. No later than October of 1994, Plaintiffs tested certain flexographic coating technology using a two-color Heidelberg lithographic press (the "pilot press") located at a Printing Research facility. The testing produced samples (the "flexographic samples") illustrating potential application of that technology. *No later than December 1994, Rendleman had reduced to drawings the concept of a printer/coater unit (the "Rendleman coater")*

that would move on a retractable mechanism with a ferris-wheel-type motion. The mechanism permitted the printer/coater unit to easily convert an upstream lithographic station to flexographic printing for employing the Lithoflex® process and this made it possible for the practical application of such process." (Emphasis supplied)

23. Regardless, it is inconceivable that DeMoore was not told of the June 12, 1994 disclosure to Baker at the restaurant meeting in Atlanta by Garner and Bird, his subordinates. The fact that DeMoore was working within this company with Bird on the coater project is shown by the patent application that he, Bird and Rendleman subsequently filed on May 4, 1995, in which the Davis - Williamson "up front" concept was disclosed, but not claimed.

II. ISSUE OF EQUITABLE ESTOPPEL

24. The pertinent facts as to the issue of equitable estoppel are as follows: The '363 applicants Davis and Williamson had a meeting with PRI representatives in January, 1995 at the offices of WPC in conference room "E". At this meeting, Davis and Williamson told Baker and Bird of WPC's intent to file an application on what came to be the '363 patent. Bird Decl., § 14. As testified to by Baker at his deposition:

Q. (By Mr. Harris) What do you say?

A. In response to where it says, Defendants admit that Bill Davis and Jesse Williamson informed Steve Baker and John Bird in January of '95 that WPC was going to file a patent application for '363, I - from this statement, I thought that was understood. That was the *WIMS II* - [corrigendum] patent that we're always talking about and that it was either pending or they were going to file it; but at that point -

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Q. (By Mr. Harris) I would like for you to answer the question. The question is: Do you have a recollection of that happening? It's a simple question.

A. I do remember them talking about their patent. Yes. See my testimony in paragraph 10 of my declaration, page 2. The testimony in paragraph 10 is correct.

Q. So what did they say?

A. In exact words, I don't remember.

Q. And when was it?

A. *It would have been January. It would have been after December, so it would have been January of '95.*

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Q. (By Mr. Harris) You don't know what they're thinking, I guess, means that you don't know whether they're stating what happened or not, huh?

A. I don't have one opinion on that one way or the other, other than what I've already said. To me it was all the same. A patent was pending or they're going to file another one. *This time on WIMS II [corrigendum].* It was all the same to me. In '95 – in January of '95, if they told me they were doing that, I am assuming at that point it is the one we have already talked about in '94 and it just had not been filed yet.

Q. (By Mr. Harris) They didn't say the '363 process, did they?

A. They never named them by number because I probably didn't need to know the numbers. *How can they refer to '363 when they haven't filed yet? [corrigendum]*

Baker deposition, p. 136, line 7 to p. 141, line 6.

See also Bird Dep. p. 111, lns. 9-16:

Q. Okay. Tell us what was discussed in that meeting with Williamson and Bill Davis in regard to the flexo/litho process.

A. Jesse told us that they – they, Williamson Printing, were applying for a continuation, an extension, on the improvement on their present WIMS process patent, and that was to include flexographic applications.

In due course, Davis and Williamson filed a patent application, Serial No. 08/515,077, on August 14, 1995, that matured into the '363 patent.

25. PRI through owner, DeMoore and employees, Bird and Rendleman, filed a patent application on May 4, 1995, Serial No. 08/435,798, which did not claim the '363 process.

26. Subsequently, on June 11, 1996, PRI dropped process claims to a different process than claimed in Serial No. 08/435,798 without traverse, indicating that it did not give those process claims a high priority.

27. Serial No. 08/435,798 is still pending, with most claims rejected. From a review of the file history of Serial No. 08/435,798, at no time has DeMoore or PRI ever claim the '363 process since May 4, 1995. As the undersigned is advised, PRI did not indicate until March of 1999 that it considered that PRI employees were joint inventors of the '363 process, despite the fact that PRI was very active in the filing of patent applications, and only after PRI was not receiving the license terms it felt it deserved during negotiations early in 1999.

28. PRI has taken the position in its **COMPLAINT** and **FIRST AMENDED ORIGINAL COMPLAINT** that it did not know about the '363 patent until it was informed of that fact by a third party and potential customer – Hallmark – in December, 1998. Former PRI Vice-President Garner believes the true date was a year earlier “end of '97 or early '98”. (Garner, Dep., p. 115, ln. 11). Regardless, PRI took no position in the PTO or the courts to challenge the inventorship of the '363, having known of Davis and Williamson's intent to file a patent application since January of 1995, and failed to pursue claims to the '363 invention during a four-year, four-month pending of Serial No. 08,435,798, despite the fact that DeMoore has been represented in the prosecution of Serial No. 08/435,798 by no less than three very large Dallas law firms. DeMoore's apparent familiarity and experience with the patent system coupled

with his failure to claim the '363 process in any of his patent applications must be seen as acquiescence, if not an intentional abandonment.

ANALYSIS

29. Derivation can be shown by a communication of a complete or partial concept to the party charged with derivation. Showing a prior, complete conception and communication thereof is not the only way to establish derivation. The burden of proof is on the party asserting derivation. That burden is independent of the senior or junior status of the parties. *Id.* Hedgewick v. Akers, 497 F.2d 905, 908, n. 4 (C.C.P.A. 1974). It is well settled law that once proved, transmission of an inventor's own prior work will not anticipate his later invention unless that prior work is such to constitute a statutory bar. In re Costello, 717 F.2d 1346, 219 U.S.P.Q. 389 (Fed. Cir. 1983); note also Chisum, 1 PATENTS § 3.08[2] (5/88). The burden is on the party asserting derivation by a preponderance of the evidence.

30. The evidence clearly shows that as of June, 1994, the '363 patentees were in possession of a comprehensive concept, if not a complete conception of the later-claimed '363 invention. The '363 patentees testified to as much. The '363 patentees chose to explore the possibilities of reducing to practice their concept either by use of a dedicated station – to be manufactured by Heidelberg, selling them a number of new processes – or by a modification of a prior art auxiliary “rack back” having an anilox roller and a chambered doctor.

31. That concept was communicated by the '363 patentees to Steve Baker in Atlanta in a restaurant on June 12, 1994, with the intent to induce Baker to explore the possibilities of his company manufacturing such a modified “rack-back.” Baker, upon returning to his office, told Bird, DeMoore and possibly Garner. Such corroborated transmission of the concept to PRI by the team of PRI employees admitted by PRI to have worked on PRI's apparatus to perform the

concept – Bird, Rendleman, and DeMoore, the applicants of Serial No. 08/435,798 – is sufficient to carry Defendants' burden of proof as to derivation by a preponderance of the evidence. Hedgewick, supra; In re Mathews, 408 F.2d 1393, 161 U.S.P.Q. 1393 (CCPA 1969); and In re Kaplan, 789 F.2d 1574, 229 U.S.P.Q. 678 (CCPA 1986).

32. Equitable estoppel may apply where there is (1) unreasonable and inexcusable delay in filing suit, (2) prejudice to the defendant as a result of the delay, (3) affirmative conduct by the party against whom estoppel is asserted inducing the belief it abandoned its claim, and (4) detrimental reliance by the party asserting estoppel. Hottel Corp. v. Seaman Corp., 833 F.2d 1570, 1573, 4 U.S.P.Q.2d 1939, 1941 (Fed. Cir. 1987); MCV, Inc. v. King-Seely Thermos Co., 870 F.2d 1568, 1571 (Fed. Cir. 1989).

33. The '363 patentees communicated to PRI employees Bird and Baker in January, 1995 that they would file an application on what they considered to be their new, improved process. Bird testified that he considered the process to be that of the '363 patentees and made no objection.

34. The PRI team – Bird, Rendelman and DeMoore – filed their patent application on May 4, 1995 but did not claim the '363 process. In fact, at no time to date did they amend their claims in Serial No. 08/435,798, even within the one year period permitted by law after the issuance of the '363 patent on May 20, 1997, to copy any of the issued '363 claims. Significantly, former PRI Vice-President Garner testified that they knew about the '363 patent in late 1997 or early 1998.

35. Despite Garner's testimony, DeMoore and PRI indicated in their COMPLAINT that they did not know about the '363 patent until December, 1998 and learned about it only through a potential customer. This contention lacks any credibility whatsoever, given

DeMoore's intense interest in patents, his interest in a device to practice the '363 process, his financial interest in the equipment to practice the process, and his financial losses alleged in his Complaint. I have had many small to medium-size clients who were manufacturing mechanical devices, and periodic review of the patent literature for competitive patents is commonplace. DeMoore's allegation of learning about the issuance of the '363 patent in December, 1998 is unbelievable.

36. Regardless, PRI's delay in pursuing any claim to the '363 invention or filing suit – of over four years – was unreasonable. MCV, *supra*. The first element of the Hottel test has been met.

37. Defendant WPC's only hope of realizing significant income from the '363 process – other than selling printed materials made according to the process – is by licensing the '363 process to others. As long as an inventorship fight hangs as a cloud over the '363 patent, licensing possibilities are remote, if not impossible. The second element of Hottel has clearly been not.

38. PRI, having been told of the forthcoming filing of the application for the '363 process in January, 1995 and having done nothing in 1995, 1996, 1997 or 1998 to copy the '363 claims, while at the same time continuing to do business with Defendants during that time period, including, but not limited to, the construction and delivery of interstation coaters and driers in 1995-1997, induced Defendants into reasonably believing PRI would not assert any claims of the '363 process. The third element of Hottel has been met.

39. Defendants acted to their detriment in relying on Plaintiffs' acquiescence concerning their failure to claim the '363 process. Defendants could have gone to any one of a number of different "rack-back" manufacturers to develop an alternative "rack-back" in 1995-

1998, which manufacturers were identified in the Garner and Bird depositions. Instead, the declaration and deposition testimony shows that Printing Research installed at least three interstation machines in the period 1995-1997, that Williamson paid for the machines manufactured for them at their request to perform the '363 process, and proceeded to try to work out their difficulties with Printing Research. The fourth and final element of Hottel has therefore been met. The letters attached to the Rule 57(b) declaration of '363 patentees indicated that PRI did not object to the identity of the '363 patentees as solely consisting of Williamson Printing Corporation employees Davis and Williamson until March, 1999 during license negotiations. After prosecuting Serial No. 08/435,798 for four years without claiming the '363 process, and after being told before they filed their application by Davis and Williamson that the latter would file an application on that process, plaintiffs are estopped to pursue claims of inventorship of the '363 process. MCV.

40. The opinions given herein are based solely on the testimony and other documents listed in item 11 above, which the undersigned has reviewed, and the undersigned reserves the right to change, to alter or to enhance his testimony upon the review of additional testimony or other documents.

October 5, 2000
Date


B. R. Pravel
BERNARD ROE PRAVEL

CERTIFICATE OF SERVICE

I hereby certify that the foregoing Defendants' Initial Designation of Experts with the attached report of Bernarr R. Pravel was served on Plaintiffs' counsel by hand delivering true and correct copies thereof to the offices of Plaintiffs' counsel on the 5th day of October, 2000, addressed as follows:

William D. Harris, Jr.
LOCKE LIDDELL & SAPP, LLP
2200 Ross Ave., Suite 2200
Dallas, Texas 75201

Martin J. Sweeney
COZEN AND O'CONNOR
1717 Main Street, 2300 Bank One Centre
Dallas, Texas 75201



John P. Pinkerton

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